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February 25, 2013

Marlene H. Dortch, Esq. Secretary Federal Communications Commission 445 12th St., S.W. Washington, DC 20554

Via Electronic Comment Filing System

Re: IB Docket 12-343 and ULS File No. 0005480932

Dear Ms. Dortch:

On February 22, 2013 Kevin D. Kayes of QGA and I, both representing Crest Financial Limited ("Crest"), met with David Goldman and Priscilla Delgado Argeris, Senior Legal Adviser and Legal Adviser, respectively, to Commissioner Rosenworcel in connection with the above-captioned matters. We reprised Crest's previously reported meeting with the Transaction Team. We discussed two pleadings filed by Crest: its Petition for Reconsideration of the Wireless Telecommunication Bureau's pro forma approval of Sprint's acquisition of the holdings of Eagle River Investment, LLC ("Eagle River") in Clearwire and its Petition to Deny the Softbank/Sprint/Clearwire transaction.

<u>Petition for Reconsideration</u>. We explained that the Eagle River transaction should not have been accorded *pro forma* treatment on the asserted basis of the Commission's previous approval of Sprint's holding a majority position in Clearwire. Instead, the transaction should have been subject to public comment pursuant to a Commissionissued public notice. Moreover, in light of Sprint's announcement, immediately after the Commission's approval of the Eagle River transaction, that it intends to acquire the remainder of Clearwire, it is clear that the Eagle River transaction was the first step in a larger transaction that is rightly receiving full Commission review. As such, it too should have been subject to public interest review and public comment.

<u>Petition to Deny</u>. In response to the Applicants' assertions in their opposition to Crest's petition, we emphasized that Crest is outright opposed to the proposed transaction and is not involved in the proceeding for the purpose of obtaining a higher offer price. We explained that Crest opposes the Softbank/Sprint/Clearwire transaction because it allows Sprint to capture Clearwire's spectrum without any assurance that it will be deployed to fuel competition in the wireless broadband market, which is crucial to the

public interest. We explained that Crest is a long-term investor in Clearwire and has consistently advocated the deployment of Clearwire's spectrum to support an independent challenger in the broadband market. We highlighted the relief requested in the Petition: denial of approval of the transactions or, alternatively, imposition of a divestiture condition requiring Sprint to give up its interest in Clearwire as a condition of the Softbank/Sprint transaction. We urged that the Clearwire transaction should be denied in all events. We emphasized that Crest does not advocate a stay in the review of the transaction because with the passage of time, as Clearwire draws upon the debt facility established by Sprint for its benefit, Clearwire will become increasingly indebted to Sprint. If Sprint exercises its conditional right to convert such debt into equity, Sprint may acquire a significant additional stake in Clearwire at half the price of the present public offer. We summarized other arguments in the Petition, including (a) the adverse impact of Sprint's artificially low offer for Clearwire's spectrum on the upcoming incentive auctions, the success of which are important to achieve public policy goals and (b) limits on Softbank's ability to provide cash to fund the build out of Clearwire's spectrum in view of the substantial debt liabilities on Softbank's balance sheet.

Respectfully submitted,

_//signed//____ Kathleen Wallman Adviser to Crest Financial Financial Limited

Copies to:
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